

12786

RECORDATION NO. _____ Filed 1425

JAN 21 1981-2 30 PM

INTERSTATE COMMERCE COMMISSION

P. E. MYERS & ASSOCIATES

Practice Before The Interstate Commerce Commission

SUITE 348. PENNSYLVANIA BUILDING

PENNSYLVANIA AVENUE AT THIRTEENTH STREET N. W.

WASHINGTON, D. C. 20004

(202) 737-2188

January 21, 1981

RECORDATION NO. _____ Filed 1425

12786-B

JAN 21 1981-2 30 PM

INTERSTATE COMMERCE COMMISSION

Registered Practitioners

PAULINE E. MYERS

MARK D. RUSSELL

RECORDATION NO. _____ Filed 1425

12786-A

JAN 21 1981-2 30 PM

INTERSTATE COMMERCE COMMISSION

No. 1-1524A1-2
JAN 21 1981

Date..... 150.80

Fee \$.....

ICC Washington, D. C.

Mrs. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
Washington, DC 20423

Attention: Recordation Office

In Re: Lease Agreement
Chattel Mortgage & Security Agreement
Assignment of Rents

Dear Mrs. Mergenovich:

Attached hereto for recordation is an original and duplicate copy of the above.

1. Lease Agreement Between

GWI Leasing Corporation, 71 Lewis Street, Greenwich, CT 06830; and Genesee & Wyoming Railroad Company, 3846 Retsof Road, Retsof, NY 14539.

2. Chattel Mortgage And Security Agreement From

GWI Leasing Corporation, 71 Lewis Street, Greenwich, CT 06830; to Key Bank N.A., 60 State Street, Albany, NY.

3. Assignment of Rents From

GWI Leasing Corporation, 71 Lewis Street, Greenwich, CT 06830; to Key Bank N.A., 60 State Street, Albany, NY.

A check No. S8146 in the amount of \$150.00, payable to the Interstate Commerce Commission, is hereby enclosed to cover the filing fee. Your cooperation in this matter is greatly appreciated.

Yours very truly,

Pauline E. Myers
Pauline E. Myers

PEM/slt

Enclosures

RECEIVED
JAN 21 2 25 PM '81
FEE OPERATION BR
I.C.C.

Counters - Pauline E. Myers

Interstate Commerce Commission

Washington, D.C. 20423

OFFICE OF THE SECRETARY

Pauline E. Myers
P. E. Myers & Associates
Suite 348, Pennsylvania, Bldg.
Penn. Ave. at 13th St. N. W.
Washington, D. C. 20004

Dear Madam:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 1/21/81 at 2:30PM, and assigned re-recording number(s). 12786, 12786-A, & 12786-B

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

LEASE AGREEMENT JAN 21 1981-2 20 PM

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT, made as of this 30th day of November, 1980, between GWI LEASING CORPORATION, a Delaware corporation, with offices at 71 Lewis Street, Greenwich, Connecticut ("GWILC") and GENESEE AND WYOMING RAILROAD COMPANY, a New York corporation ("GWRR"), with offices at 3846 Retsof Road, Retsof, New York 14539.

1. Scope of Agreement.

A. GWILC has contracted to purchase 50 Pullman covered hopper railroad cars described in Schedule I attached hereto and made a part hereof. Such cars are hereinafter called collectively the "Cars." GWILC and GWRR agree that GWILC shall deliver such Cars to GWRR for GWRR's use pursuant to the terms of this Lease Agreement.

B. It is the intent of the parties that GWILC shall receive an amount equal to all the per diem payments, mileage payments, lease payments and any other payments however designated earned by the Cars (all of which are hereinafter collectively referred to as "payments" or "car hire payments") and GWRR shall have the availability and use of the Cars without payment of any other charge to GWILC.

2. Term.

This Agreement shall remain in full force until it shall have been terminated as to all of the Cars as provided herein. Subject to any termination rights hereinafter contained, this Agreement shall commence upon the delivery of the first Car to GWRR as set forth in Section 3A hereof and shall terminate as to all Cars fifteen (15) years thereafter.

3. Supply Provisions.

A. GWILC will inspect each of the Cars tendered by the manufacturer for delivery. Upon GWILC's determination that each Car conforms to the specifications and to all applicable governmental regulatory specifications, GWILC will accept delivery of each such Car hereunder at the manufacturer's facility and notify GWRR of such acceptance. Each of the Cars shall be deemed delivered to GWRR upon such acceptance and notification by GWILC and control of the Cars shall immediately pass from GWILC to GWRR at such time.

B. It is expressly understood and acknowledged by the parties hereto that (i) pursuant to a similar agreement dated as of November 7, 1978 between GWRR and States Marine Corporation (whose interest has since been assigned to BRAE Corporation) GWRR is obligated to give loading preference in a surplus situation to 425 covered hopper railroad cars which are managed under a 1978-1983 Covered Hopper Management Program, (ii) pursuant to a similar agreement dated as of December 10, 1979 between GWI Rail Management Corporation ("GWIRM") and GWRR, GWRR is obligated to give loading preference in a surplus situation to 10 covered hopper railroad cars which are managed under a 1979-1984 Covered Hopper Management Program, and (iii) pursuant to a similar agreement dated May 1, 1980, between GWRR and GWIRM GWRR is obligated to give loading preference in a surplus situation to 50 covered hopper railroad cars which are leased by GWIRM from C.K. Industries, Inc. In addition, it is expressly understood that GWRR may, because of practical operating considerations, give loading preference to cars now owned or leased by it (or to any substitutes for such cars). It is further understood that shipper cars at all times have loading priorities at the shipper's option.

4. Railroad Markings and Record Keeping.

A. GWILC and GWRR agree that on or before delivery of any Cars to GWRR, said Cars will be lettered with the railroad markings of GWRR and with the name and/or other insignia used by GWRR or with such other markings and insignia as GWRR shall designate, all at no cost to GWRR. GWILC will insure that such name and/or insignia comply with all applicable regulations.

B. At no cost to GWRR, GWILC shall during the term of this Agreement prepare for GWRR's signature and filing all documents relating to the registration, maintenance and record keeping functions involving the Cars. Such documents shall include but are not limited to the following: (i) appropriate Association of American Railroads ("AAR") documents (ii) registration in the Official Railway Equipment Register and the Universal Machine Language Equipment Register (UMLER); and (iii) such reports as may be required from time to time by the Interstate Commerce Commission ("ICC") and/or other regulatory agencies.

5. Maintenance, Taxes and Insurance.

A. Except as otherwise provided herein and excluding the operating costs of GWRR as would be incurred whether or not this Agreement were in effect, GWILC will pay all costs, expenses, fees and charges incurred in connection with the use and operation of each of the Cars during the term of this Agreement, including but not limited to repairs, maintenance and servicing, unless the same was occasioned by the negligence or willful misconduct of GWRR while a Car was in the physical possession of GWRR. GWRR hereby transfers and assigns to GWILC for and during the term hereof all of its right, title and interest in any warranty in respect to the Cars. All claims or actions on any warranty so assigned shall be made and prosecuted by GWILC at its sole expense and GWRR shall have no obligation or right to make any claim on such warranty. Any recovery under such warranty shall be payable solely to GWILC.

B. Except as provided above, GWILC shall make or cause to be made such inspections of, and maintenance and repairs to, the Cars as may be required. At GWILC's expense, GWRR shall perform any necessary maintenance and repairs to Cars on GWRR's railroad tracks as may be reasonably requested by GWILC. GWILC shall also make, at its expense, all alterations, modifications or replacement of parts as shall be necessary to maintain the Cars in good operating condition throughout the term hereof. GWRR may make running repairs to facilitate continued immediate use of a Car and bill GWILC for such repairs. All bills for repairs by GWRR are payable upon receipt by GWILC of an invoice.

C. GWILC agrees to reimburse GWRR upon demand for all taxes (including but not limited to sale or use taxes imposed on the mileage charges, payments hereunder and/or car hire revenues), assessments and other governmental charges of whatsoever kind or character paid by GWRR relating to each Car and on the deployment, lease, delivery or operation thereof of which may remain unpaid as of the date of delivery of such Car to GWRR or which may be accrued, levied, assessed or imposed during the term hereof, except taxes, however designated, imposed on income of GWRR. Moreover, GWILC agrees to indemnify and hold harmless GWRR from any and all such tax, assessment or charge liability and from any costs, penalties or expenses, including legal fees, relating thereto. GWILC and GWRR will comply with all state and local laws requiring the filing of ad valorem tax returns on the Cars.

6. Consideration.

A. In consideration for its performance of its obligations hereunder, GWILC shall be entitled to a sum equal to all car hire payments made to GWRR on account of the Cars. In addition, GWILC shall be entitled to a sum equal to all monies, if any, earned by the Cars prior to their initial loading.

B. GWRR shall pay or cause to be paid to GWILC, or its designee or agent, a sum equal to all revenues received with regard to the Cars, including but not limited to payments described in Section 6A and 6C as soon as possible after such payments are actually received by GWRR.

C. In the event damage beyond repair or destruction of a Car has been reported in accordance with Rule 7 of the AAR Car Service and Car Hire Agreement, Code of Car Hire Rules and Interpretations - Freight and the appropriate amount due as a result thereof is received by GWILC, said damaged or destroyed Car will be removed from the coverage of this Agreement as of the date that payment of car hire payments as to such Car ceased.

D. Upon mutual written consent of GWILC and GWRR, this Agreement may be terminated as to any Car at any time.

7. Possession and Use.

A. So long as GWRR shall not be in default under this Agreement, GWRR shall be entitled to the possession and use of the Cars in accordance with and subject to the terms of this Agreement and in the manner and to the extent Cars are customarily used in the railroad freight business.

B. GWRR will not directly or indirectly create, incur, or cause to exist any mortgage, lien, or other security interest on or with respect to the Cars or any interest therein or in this Agreement or any Schedule thereto. GWRR will promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, lien, or security interest if the same shall arise at any time.

C. Unless otherwise directed by GWILC in writing, GWRR shall use its best efforts to provide that the Cars will not be used predominantly outside the United States during 1980 or any subsequent calendar year within the meaning of Section 48(a)(2)(A) of the Internal Revenue Code, as amended, or any successor provision thereof, and the regulations thereunder. It is expressly understood that GWRR shall have no other obligation in this regard.

8. Default of GWRR

A. The occurrence of any of the following events shall be an event of default of GWRR:

(i) The nonpayment by GWRR of any sum required herein to be paid by GWRR within twenty (20) days after the date any such payment is due.

(ii) The breach by GWRR of any other term, covenant, or condition of this Agreement, which is not cured within twenty (20) days after receipt of written notice thereof.

(iii) Any act of insolvency by GWRR, or the filing by GWRR of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other similar law or laws for the relief of, or relating to, debtors.

(iv) The filing of any involuntary petition under any bankruptcy, reorganization, insolvency or moratorium law against GWRR that is not dismissed within sixty (60) days thereafter, or the appointment of any receiver or trustee to take possession of the properties of GWRR, unless such petition or appointment is set aside or withdrawn or ceases to be in effect within sixty (60) days from the date of said filing or appointment.

(v) The subjection of any material portion of GWRR's property to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency which is not discharged within sixty (60) days.

B. Upon the occurrence of any event of default, GWILC at its option, may

(i) Proceed by any lawful means to enforce performance by GWRR of this Agreement or to recover damages for a breach thereof, or

(ii) By notice in writing to GWRR, terminate GWRR's right of possession and use of the Cars, whereupon all right and interest of GWRR in the Cars shall terminate; and thereupon GWILC may enter upon any premises where the Cars may be located and take

possession of them and henceforth hold, possess and enjoy the same free from any right of GWRR. GWILC shall nevertheless have the right to recover from GWRR any and all rental and any other amounts which under the terms of this Agreement may then be due or which may have accrued to that date.

9. Default of GWILC

A. The occurrence of any of the following events shall be an event of default of GWILC:

(i) The nonpayment by GWILC of any sum required herein to be paid by GWILC within twenty (20) days after the date any such payment is due.

(ii) The breach by GWILC of any other term, covenant, or condition of this Agreement, which is not cured within twenty (20) days of receipt of written notice thereof.

(iii) Any act of insolvency by GWILC or the filing by GWILC of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other similar law or laws for the relief of, or relating to, debtors.

(iv) The filing of any involuntary petition under any bankruptcy, reorganization, insolvency or moratorium law against GWILC that is not dismissed within sixty (60) days thereafter, or the appointment of any receiver or trustee to take possession of the properties of GWILC, unless such petition or appointment is set aside or withdrawn or ceases to be in effect within sixty (60) days from the date of said filing or appointment.

(v) The subject of any material portion of GWILC's property to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency which is not discharged within sixty (60) days.

B. Upon the occurrence of any event of default, GWRR, at its option, may

(i) Proceed by any lawful means to enforce performance of GWILC of this Agreement and to recover damages for a breach hereof, or

(ii) Terminate this Agreement and, by notice to GWILC, require GWILC to take possession of any Cars situated on GWRR's line.

10. Rights of Termination

At the expiration or termination of this Agreement as to any Car or Cars, GWRR shall deliver the Cars to GWILC at the GWRR tracks in Retsof, New York (or to such other place designated by GWILC). GWRR shall bear the cost of returning the Cars to Retsof, New York. If the Cars are sent to some other place designated by GWILC, then GWILC shall bear the incremental cost above the cost to GWRR of returning the Cars to Retsof, New York. After the date of termination, GWRR shall continue to pay to GWILC all revenues received with regard to the Cars attributable to the period prior to the termination date.

11. Indemnities

GWILC will defend, indemnify and hold GWRR harmless from and against (1) any and all liability, including attorney's fees, to any third party for loss or damage of or to the Cars, usual wear and tear excepted, unless occurring while GWRR has physical possession of Cars and (2) any claim, cause of action, damage, liability, cost or expense, including attorney's fees, which may be asserted against GWRR with respect to the Cars (other than loss or damage to the Cars as in (1)), including without limitation that arising out of the construction, purchase and delivery of the Cars to GWRR's railroad line, ownership, leasing or return of the Cars, or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects, if any, are latent or are discoverable by GWILC or GWRR); provided, however, that GWILC shall not defend, indemnify or hold GWRR harmless from and against, and GWRR shall not be exculpated from any claim, action, judgment, settlement, damage, expense, loss or liability caused by or arising from negligence or willful misconduct of GWRR, but in such case GWRR shall defend, indemnify and hold GWILC harmless from any such claim, action, judgment, settlement, damage, expense, loss or liability, including attorney's fees.

12. Representations, Warranties and Covenants of GWRR

GWRR represents, warrants and covenants that GWRR is a corporation duly organized, validly existing and in good standing under the laws of the State of New York and has taken all of the corporate action necessary to enter into and perform its obligations under this Agreement.

13. Representations, Warranties and Covenants of GWILC

GWILC represents, warrants and covenants that GWILC is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has taken all corporate action necessary to enter into and perform its obligations under this Agreement

14. Inspection

GWILC shall at any time during normal business hours have the right to enter the premises where the Cars may be located for the purpose of inspecting and examining the Cars to insure GWRR's compliance with its obligations hereunder. GWRR shall immediately notify GWILC of any accident connected with the malfunctioning or operation of the Cars, including in such report the time, place and nature of the accident and the damage caused, the names and addresses of any persons injured and of witnesses, and other information pertinent to GWRR's investigation of the accident. GWRR shall also notify GWILC in writing within five (5) days after any attachment, tax lien or other judicial process shall attach to any Car. GWRR will execute any authorization necessary for GWILC or Owner to examine the Cars.

15. Miscellaneous

A. This Agreement, together with the attached Schedule, shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. GWRR may not without the prior consent of GWILC assign this Agreement or any of its rights and obligations hereunder and any purported assignment in violation hereof shall be void; provided, however, GWILC hereby consents to the sublease of the Cars by GWRR to BRAE Railcar Management, Inc. pursuant to a certain Lease Agreement, dated as of October 21, 1980. GWILC may not without the prior written consent of GWRR assign its rights and obligations under this Agreement to any party and any assignment in violation hereof shall be void.

B. It is expressly understood and agreed by GWRR and GWILC that this Agreement constitutes an agreement as to use of the Cars only and no joint venture or partnership is being created. Notwithstanding the calculation of car hire payments, nothing herein shall be construed as conveying to GWRR any right, title or interest in the Cars except as GWRR's rights are specifically provided herein.

C. No failure or delay by GWILC shall constitute a waiver or otherwise affect or impair any right, power or remedy available to GWILC nor shall any waiver or indulgence by GWILC or any partial or single exercise of any right, power or remedy preclude any other or future exercise thereof or the exercise of any other right, power or remedy.

D. This Agreement shall be governed by and construed according to the laws of the State of New York.

E. All notices hereunder shall be in writing and shall be deemed given when delivered personally or when deposited in the United States mail, postage prepaid, certified or registered, addressed to the president of the other party at the address set forth above.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

GENESEE AND WYOMING RAILROAD COMPANY

By: Gerald E. Johnson
Gerald E. Johnson, President

GWI LEASING CORPORATION

By: Edward J. Stewart, III
Edward J. Stewart, III,
President

STATE OF NEW YORK)
COUNTY OF LIVINGSTON) SS:

On this 8th day of January, 1981, before me personally appeared Gerald E. Johnson, to me personally known, who being by me duly sworn, says that he is the President of GENESEE AND WYOMING RAILROAD COMPANY, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Gail E. Laursen

GAIL E. LAURSEN
Notary Public, State of New York
Qualified in Livingston County
My Commission Expires March 30, 1982

STATE OF CONNECTICUT,
COUNTY OF FAIRFIELD) SS:

On this 12th day of January, 1981, before me personally appeared Edward J. Stewart, III, to me personally know, who being by me duly sworn, says that he is the President of GWI LEASING CORPORATION, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Gretchen M. Koopman

GRETCHEN M. KOOPMAN
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1985

SCHEDULE I

To Lease Agreement, dated as of November 30, 1980,
between GWI Leasing Corporation and Genesee and
Wyoming Railroad Company

50 - 100-Ton, 4750 cubic feet capacity steel covered
hopper railroad cars, manufactured by Pullman, Inc., numbered
as described in the November 14, 1980 letter attached and as
further described as follows:

Serial Number

102200-102249 inclusive

Reporting Marks

MILW 102200-102249 inclusive



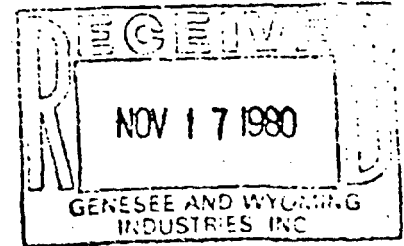
Pullman Standard

Freight Unit

200 South Michigan Avenue
Chicago, Illinois 60604
(312) 322-7070

November 14, 1980

Mr. Mortimer B. Fuller III
President
GWI Leasing Corporation
71 Lewis Street
Greenwich, Conn. 06830



Subject: Lot #1158
50 - 100-Ton, 4750 C.F.C., Covered Hopper Cars

Dear Mr. Fuller:

Confirming your phone conversation with Mr. Pete Urban, we are pleased to enter your verbal order for subject cars on the following basis:

PULLMAN STANDARD (hereinafter called "Seller") hereby offers to sell and deliver to the GWI LEASING CORPORATION (hereinafter called "Buyer") 100-Ton, 4750 C.F.C., Covered Hopper Cars in accordance with Seller's Specification No. 3996 dated May 30, 1980, last revised June 17, 1980, copies which are enclosed and made a part hereof.

The price quoted is not subject to escalation with the understanding that Seller controls the source of supply and the transportation of specialties and materials entering into the construction of these cars.

Price quoted is further subject to terms and conditions as set forth herein and in Attachments listed below and made a part hereof, which, together with this letter constitute Seller's proposal.

ATTACHMENT:

FORM I
EXHIBIT "A"

General Conditions
Specialties

BASIS FOR PRICE:

QUANTITY:

50 Cars

PLANT BASIS:

Butler, Pennsylvania

DELIVERY POINT:

F.O.B. Tracks at Seller's Plant
Butler, Pennsylvania

November 14, 1980

BASIS FOR PRICE (CONT.):

DELIVERY COMMENCING: Week of November 17, 1980

APPROXIMATE RATE PER DAY: 12 or More

PRICE PER CAR: \$41,450.00 F.O.B. Tracks
Seller's Plant
Butler, Pennsylvania

CANCELLATION:

Notwithstanding any past practice by the Seller or past industry practice, in the event that the Buyer cancels the contract, the Buyer will pay the Seller cancellation charges equal to the value of all disbursements and expenses which the Seller has incurred or become obligated for prior to the date of cancellation, including all labor and material costs and normal overhead, less the reasonable resale value of material which will have been obtained or ordered to become an integral part of the equipment, plus a sum of ten percent of the purchase price of the equipment.

GENERAL:

This proposal is offered with the understanding that the Seller is not obligated to proceed hereunder until the Buyer has made arrangements which satisfy the Seller's Financial Department that funds will be available to pay for these cars when they are ready for delivery.

This proposal is sent to Buyer in duplicate and the return of one copy to Seller with Buyer's signature affixed thereon in the place designated will constitute a contract between Buyer and Seller for these cars.

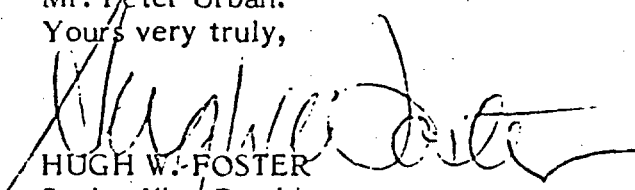
Mr. Mortimer B. Fuller III

-3-

November 14, 1980

Any questions or information desired in connection with this transaction should be referred to Mr. Peter Urban.

Yours very truly,


HUGH W. FOSTER
Senior Vice President,
Sales and Marketing

REG/lcj

cc: Peter R. Urban
Pullman Standard
(312) 322-7073

Enclosures

In duplicate

ACCEPTED:

BY: Lo C. I. Lewis CorporationDATE: 11/21/80

This order is subject to the following additional items as per phone conversation with Mr. Thomas Glaser:

1. Truck Snubbing Devices-
A. Stucki Co. HS-7-100 Hydraulic Add \$ 428.00 per car
2. Revised Truck Spring Arrangement
24 Outer, 24 Inner, 16 Inner-Inner Add \$ 14.00 per car
3. Additional Labor for Installation
of 1. and 2. above Add \$ 93.00 per car
- Total Additional Cost \$ 535.00 per car
- Total Firm Price Per Car \$41,985.00

FORM I - GENERAL CONDITIONS

ACCEPTANCE OF ORDER: Buyer shall furnish to Seller, promptly after receipt of a request therefor, such financial and other information concerning Buyer and its purchase of the cars as Seller may reasonably request and any acceptance by Seller of an order placed pursuant to this proposal is subject to approval of such order by Seller's Financial Department after receipt of such information.

ACCEPTANCE OF CARS: Upon delivery of cars to the authorized representative of Buyer at place designated for delivery, Buyer or its authorized representative will execute and deliver to Seller a certificate of acceptance and counterparts as requested.

SPECIFICATIONS: Cars ordered under this proposal will be constructed in accordance with building specification bearing lot number assigned to the particular order, and such building specification will incorporate all of the features of proposal specification as well as all changes that have been mutually agreed upon between Buyer and Seller. Seller will advise Buyer the lot number of building specification, and this new number will be incorporated in all contract papers.

In the event that it shall become impossible for Seller to secure any materials required for the building of these cars in exact accordance with specification requirements, by reason of Government regulations, or by reason of priorities given to defense orders, or for any other reason beyond the control of Seller, the Seller may make changes in the specifications not materially affecting the strength or efficiency of the cars and the Buyer agrees that it will not unreasonably withhold its consent to such substitutions.

INSPECTION: Seller will give Buyer full opportunity to inspect cars during construction at Seller's plant. On completion of each car, Buyer will arrange for final inspection thereof at Seller's plant, and Buyer's representative will execute the usual form of certificates of inspection covering all cars found to be completed in accordance with the specifications and will deliver said executed certificate to Seller at Seller's plant at time of final inspection. Each inspection certificate, with respect to cars covered thereby, shall be final and conclusive evidence that such cars conform in workmanship, material, and construction, and in all other respects to the requirements and provisions of order or contract for the cars.

DELIVERY: The delivery of the cars is contingent upon date of acceptance of this offer, upon Seller's ability to secure steel and other materials to enable Seller to meet production requirements for these cars, as well as for cars which Seller now has on order which precede these cars in Seller's schedule. Time of delivery is also subject to prior sale of space, prompt settlement of all details and to delays due to strikes, fires, accidents, or any other causes or contingencies beyond Seller's control. Under no circumstances will delay in delivery of cars not due to Seller's willful act or gross negligence be considered as a default under this proposal; nor shall application of price adjustment provisions on account of changes in material prices (when applicable) or in labor adjustment (when applicable) be restricted by reason of such delays; nor will Seller be under obligation to arrange for shipment and acceptance of any required materials in advance of its actual needs.

ASSIGNMENTS: The contract covering the cars ordered under this proposal may not be assigned by the Seller or the Buyer without the written consent of the other party.

MODIFICATION OF AGREEMENT: This Agreement constitutes the entire agreement between the Buyer and the Seller with respect to the sale of the cars herein referred to. No variation or modification of this Agreement, and no waiver of any of its provisions or conditions, shall be valid unless in writing and signed by the duly authorized officers of the Seller and Buyer.

TERMS OF PAYMENT: Seller will determine the number of cars to be included in each closing based upon the total number of cars included in an order and upon the rate of delivery of such cars to Buyer. After such determination has been made, Seller will submit to Buyer its invoice for the purchase price, determined in accordance with this proposal, of the cars to be included in each closing accompanied by a bill of sale and such other documents as may be reasonably requested by Buyer. Buyer shall wire transfer federal funds to Seller for the full amount of purchase price of the cars covered by each such invoice within ten (10) business days after the date of such invoice. The term "business days" means calendar days excluding Saturdays, Sundays and legal holidays. If such invoice is not paid within ten (10) business days, Buyer will, commencing on the eleventh business day until the date of payment, pay Seller an amount equal to interest at 120% of the Prime Rate on the invoice price. (Computation will be on the basis of a 360 day year.) The Prime Rate shall mean the annual rate charged from time to time by the Mellon Bank N.A., Pittsburgh, Pennsylvania for 90-day unsecured loans to borrowers of the highest credit standing.

TAXES: In addition to the price of the cars, Buyer shall pay Seller in cash, on demand, for any local, State or Federal Taxes (other than net income, excess profits and similar taxes) or licenses, including penalties, interest, and expenses in connection therewith, levied or imposed upon and paid by Seller with respect to, or measured by the sale of, use, payment, shipment, delivery or transfer of title to the cars under any law, rule, regulation, or order of any governmental authority.

PATENTS: Seller will protect and defend Buyer against all liabilities that may arise from any claim that the use of any patented article or design in the manufacture of these cars constitutes an infringement of any patent, except that with respect to any article or design specified by Buyer and not manufactured by Seller or which is furnished or supplied by Buyer, the Buyer will in like manner protect and defend the Seller from all liabilities.

WARRANTY: Seller guarantees to build the cars in accordance with the applicable specifications, and that the cars will be free from defects in material and workmanship under normal use and service. Seller's obligation under this warranty shall be limited to making good at its plant any part or parts of any car which shall be returned to the Seller within one year after delivery of such car, with transportation charges prepaid and which Seller's examination shall disclose with satisfaction such part or parts to have been thus defective; provided, however, this warranty shall be subject to the following exclusions and conditions:

1. Items or specialties, specified or supplied by the Buyer and/or not manufactured by the Seller, are excluded from this warranty. This exclusion applies to exterior and interior paint applications and related materials.
2. Warranty coverage on car running gear and contact points to car structure is limited to one (1) year or 25,000 miles, whichever first occurs. (Car running gear and contact points to car structure utilize components to A.A.R. specifications to provide maximum car service life. The direct relationship between car mileage and service life limits the coverage of these components as specified in this item 2.)
3. Normal use and service may require inspection, adjustment, maintenance, and compliance with all regulatory agencies' known or pending requirements and/or Seller's instructions. This obligation is the Buyer's responsibility and such performance is necessary to preserve stated warranty coverage.

THIS WARRANTY COVERAGE IS PROVIDED TO THE ORIGINAL BUYER ONLY AND IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND OF ALL OTHER OBLIGATIONS OR LIABILITY ON THE PART OF THE SELLER. THE SELLER SHALL NOT BE LIABLE FOR INDIRECT, CONSEQUENTIAL OR SPECIAL DAMAGES OF ANY KIND.

EXHIBIT "A"
SPECIALTIES AND MATERIALS
50 -100-TON TRIPLE CENTER DISCHARGE COVERED HOPPERS 4750 C.F.C
GWJ LEASING CORPORATION

Air Brake Fittings

Air Brakes, ABDW, 8-1/2" x 12" with butt welded fittings,
ABDW valve, with branch pipe tee, including ball style angle
cock and F-3 retaining valve

Slack Adjuster, double acting, fully automatic

Hand Brake, AAR-66 vertical wheel type with sheave wheel

Coupler, Type "E" AAR E-60-CHT cast steel

Coupler Yoke, high tensile steel, Y-40-AHT

Discharge Gates, 24 x 30 welded application, center discharge,
3 per car

Draft Gears, AAP Spec. M-901-E

Running Boards and End Platforms, 57'10" overall length

Trough Hatch Cover Assemblies, fiberglass reinforced plastic

Hatch Cover hold-down gasket

"AZEE" Hatch Cover Lock, Part #30149

Truck Bolster, 100-ton capacity truck with 14" diameter center plate bowl
integral, truck center plate bearing surface machined to a 500 micro-
inch finish, arranged for manganese steel horizontal wear plate drop-in type.
1-3/8" x 14" manganese steel vertical wear ring applied with a continuous
weld bolster pocket wear plate, arranged for C-PEP

Truck Side Frame, Grade "B" cast steel, narrow pedestal type, 100-ton
capacity, wear plates to be applied by lock-bolting and welding
(2 point weld)

Roller Bearing Adapter, 6-1/2" x 12", with hardened crown and shoulder

Truck Side Bearing, double roller #688-B

Axle, 6-1/2 x 12" heat treated to AAR Grade "F" D.N.&T.

Wheels, steel, one-wear, 36" diameter, untreated

Roller Bearings 6-1/2" x 12" "NFL" heavy duty type "AP" with fitted
backing rings

Stabilizing Device S-2-C, 3-11/16" spring travel, 100-ton capacity
with double side coils and lock bolsted wear plates

Bottom Connection Rod, #3334 (2 Per Car)

Truck Spring, 3-11/16" travel, 28 D-5 alloy o.c., 24 D-5 alloy i.c.

Brake Shoe, composition type, 2" thick, AAR Pattern H-4

Brake Shoe Keys "Lockey"

Brake Beam #18, unit type

Brake Beam Wear Plate, UW-133-D

Brake Rod Jaws, (2) 7/8" and (1) 1"

Coupler Carrier Wear Plates, manganese, 1/4" thick, ED-4640-D

Center Plate Extension Pads

Center Plate and Center Filler Casting, Grade "B", 13-3/4"
diameter, flame hardened, Drg. #5531

Body Brake Levers, Pullman

Brake Levers, Truck, 4 - #3473

EXHIBIT "A"

SPECIALTIES AND MATERIALS

50 -100-TON TRIPLE CENTER DISCHARGE COVERED HOPPERS 4750 C.F.C

GW LEASING CORPORATION

Page #2

Brake Pins, hardened, body and truck:

(1) F-11305

(11) F-8563

(26) F-5009

(1) F-5011

(1) F-8566

(2) F-11379

(2) F-8565

Bottom Rod Guards, #17689B

Bolster Horizontal Wear Plate, manganese steel, 1/4" thick

Pipe Clamps, "Wright", (8) 1-1/4" #3599

Branch Pipe Tee Anchor, "Wright", #3733, 2 required

PAINT MATERIAL

Primer - A&A Vinyl

Finish - A&A Vinyl

Interior Finish, PPG Double Cover Polyclutch

Stencil

200 South Michigan Avenue.
Chicago, Illinois 60604
(312) 322-7070



Pullman Standard

Freight Unit

December 1, 1980

Mr. Mortimer B. Fuller III
President
GWI Leasing Corporation
71 Lewis Street
Greenwich, Conn. 06830

Subject: Lot #1158-A
50 - 100-Ton, 4750 CFC, Covered Hopper Cars

Dear Mr. Fuller:

This will acknowledge receipt of our proposal dated November 14, 1980 signed by you on November 21, 1980, which constitutes a contract covering the subject cars in accordance with our Specification No. 3996 dated May 30, 1980, last revised June 17, 1980, except modified to include hydraulic snubbers.

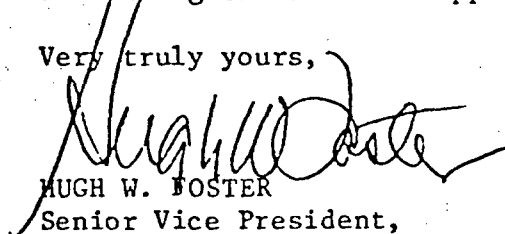
The price for these cars, including installation of hydraulic snubbers is \$41,985.00 per car F.O.B. tracks Butler, Pennsylvania, not subject to escalation.

These cars will be built at our Butler, Pennsylvania plant under lot and Specification No. 1158-A and are scheduled for delivery the week of December 1, 1980.

Acceptance of this contract is with the understanding that our General Conditions Form I, included in our proposal dated November 14, 1980, will govern this transaction.

Thank you for this valued order and we at Pullman appreciate this opportunity of filling the covered hopper car needs of GWI Leasing Corporation.

Very truly yours,


HUGH W. FOSTER
Senior Vice President,
Sales and Marketing

GAN/lcj

cc: P. R. Urban

